

City of Mount Vernon

2012 Budget Summary



Mount Vernon, Washington

Prepared by:
Finance Department

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November 14, 2011

Citizens of the City of Mount Vernon
Honorable Mount Vernon City Council

Transmittal of the Proposed 2012 Budget

The 2012 budget will be the 8th budget that I have prepared for the City of Mount Vernon, and in these last eight years we have seen the best of times from an economic viewpoint and we have seen the worst of times. In 2005 to 2007 the City experienced record high building activity, coupled with substantial property tax revenue from new construction, modest growth in sales tax receipts and near record high interest earning collections. By the end of 2006, we had met our goal of building a two month operating budget reserve in the Current Expense Fund.

In 2008 through 2010 the City along with the State faced a nationwide recession that challenged our abilities to continue to operate at high levels of service while experiencing major reductions in some of our key revenues. We have seen our work force shrink from a full time employee (fte) count of 211 in the 2008 budget year to our current staffing levels of 192 fte's. 2011 has shown glimmers of recovery yet certain revenues related to construction and property transactions remain stubbornly slow to showing signs of improvement. We cautiously anticipate that 2012 will continue to show spots of recovery; however, we expect this growth to be slow and it will take years for the City to reach revenue levels of only five years ago.

In spite of our economic constraints, our obligation is to prepare a responsible budget for our City and with that task in mind, I am proud to submit the 2012 preliminary budget to our City Council for their consideration. This budget was developed with a focus on our primary objectives, including living within our means, continual and consistent emphasis on public safety, maintaining adequate reserve levels, and focusing on the City's economic development strategies.

The total 2012 budget for the City of Mount Vernon is \$46,857,756, \$1.5 million or 3.3% higher than the 2011 adopted budget. The governmental operating fund budgets total \$22,548,921, which is \$357,000 or 1.6% higher than the 2011 adopted budget.

The revenues that support the services the City provides, **police, fire, streets, parks, libraries and permitting and planning functions**, only grow in a strong economy. Personnel costs account for 75% of the costs associated with these key functions. The complexity of balancing the budget revolves around stagnant revenues with the continued pressure of rising costs, including medical insurance, labor and industries, pension costs and compensation for represented and non-represented employees.

Budget Challenges, Strategies and Fiscal Responsibility

The biggest challenge we faced in preparing the 2012 budget was balancing a persistent increase in certain personnel costs (an 11% increase in medical insurance premiums and 15% increases in Labor and Industry rates) with no anticipated growth in revenues. The City has already made difficult decisions with reductions to our work force over the last three years, which included a reorganization to our Municipal Court, offering an early retirement incentive program in 2011, not replacing positions through attrition and, unfortunately, in some instances reducing the City work force due to revenue shortfalls and the responsibility to balance the City budget.

The 2012 budget maintains the City's workforce at the same levels as in 2011. The budget does not include any increases for cost of living adjustments, and for non-represented employees there will continue to be a reduced work week, the equivalent of nine furlough days in 2012. This will be accomplished by closing City offices at 3:30 on Friday's as was done in 2011. Other personnel cost savings will be negotiated with union groups that have open contracts for 2012.

The City's goal for fund balance reserves in the Current Expense Fund is equal to two months of operating budget which is approximately \$3.0 million. The 2012 preliminary budget uses \$315,991 of unreserved fund balance in the Current Expense Fund to balance the 2012 budget, which includes an estimated ending fund balance reserve at December 31, 2012 of \$2,036,580. Although this balance does not meet our reserve goal, it is important to note that one of the primary reasons the City Council and myself have insisted on a healthy fund reserve is to address economic downturns such as the one we continue to experience.

City Functions:	2012 Budget		2011 Budget		2010 Budget		2009 Budget	
Govt Operations	22,548,921	48%	22,192,117	49%	22,942,823	45%	25,083,399	46%
Capital Funds	5,388,629	12%	5,624,290	12%	5,997,739	12%	7,892,088	15%
Utilities	14,998,614	32%	14,563,731	32%	14,506,452	29%	13,361,408	25%
All other functions	3,921,592	8%	2,999,508	7%	7,172,622	14%	7,762,201	14%
Total City Budget	46,857,756	100%	45,379,646	100%	50,619,636	100%	54,099,096	100%
Govt Operations by Dept:	2012 Budget		2011 Budget		2010 Budget		2009 Budget	
Police	7,195,719	32%	6,859,140	31%	6,891,411	30%	7,270,868	29%
Fire	4,490,332	20%	4,376,747	20%	4,626,136	20%	4,949,738	20%
Streets	1,269,863	6%	1,225,697	6%	1,435,574	6%	1,602,027	6%
Parks	1,625,273	7%	1,511,678	7%	1,648,702	7%	1,767,942	7%
Library	1,138,172	5%	1,138,633	5%	1,192,561	5%	1,270,030	5%
Comm Econ Dev	1,183,758	5%	1,157,127	5%	1,239,556	5%	1,541,416	6%
Other City Services	5,645,804	25%	5,923,095	27%	5,908,883	26%	6,681,378	27%
Total Govt Operations	22,548,921	100%	22,192,117	100%	22,942,823	100%	25,083,399	100%

Primary Goals and Priorities

Even in financially difficult times the City's focus on our primary goals and priorities remain the same, with public safety continuing to be the city's top priority and responsibility. In spite of the necessary budget reductions we have made, we continue to focus on economic development as the primary tool to grow a strong community, striving for a healthy balance between residential and commercial growth. Economic growth is also necessary to grow our City's revenues, in order to maintain and improve upon the services we provide our citizens.

The primary goals and priorities incorporated in this budget and past budgets are outlined as follows:

- **Quality public safety** for the Citizen's of our community remains the primary responsibility of the City. Although the City's operating budgets have not seen growth in the last four years, the proportion of the budget dedicated to public safety has grown from 49% of the 2009 governmental operating budget to 52% of the budget in 2012, as is illustrated above. Police and Fire Departmental budgets are \$450,000 higher in 2012 compared to 2011 due primarily to personnel costs.

Police Department: The City was awarded a Federal COPS grant in 2011 that fully funds two police officers for three years. At the beginning of 2011, the Police Department had four open police officer positions; all but one of those positions have been filled, with the final opening being filled by first quarter 2012. The COPS grant provides critical funding for our Police Department. The City will continue our graffiti abatement program which has received grant funding in recent years. This program ensures the timely removal of graffiti, assists city work crews in these efforts and raises community awareness. The City now has 32 surveillance cameras to monitor activity in key locations throughout the City. The Neighborhood Policing Program which acquaints designated neighborhoods with specific police officers was implemented in 2011. In the last four years the City has installed school zone speed indicator signs at all schools locations within the City limits.

The **Fire Department** continues to be in dialogue with EMS (Emergency Medical Services) and Skagit County regarding the provision of ambulance service and to assure that our citizens receive the best possible emergency medical service response and ambulance transportation. The 2012 budget includes the purchase of a new fire pumper truck, and in 2010 the City purchased a new fire ladder truck. These key vehicle purchases are part of maintaining the high level of fire service that is provided to our community.

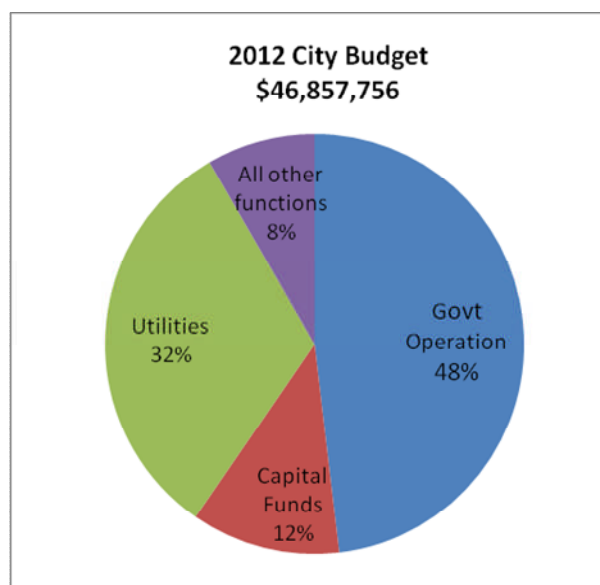
- Over the last eight years, our transportation projects have been focused on **improving traffic congestion and flow patterns**, and include on-going efforts of actively pursuing funding opportunities to assist in financing these projects: A major intersection improvement project at College Way and Riverside Drive was completed in 2009. Other projects completed in 2009 included improvements at the College Way and Freeway Drive intersection, and phase I of the LaVenture Road extension to Anderson Road. The final phase of the LaVenture Road project should be underway and completed in 2012 pending approval of final grant funding. Projects completed in 2010 included pedestrian pathway improvements on Martin Road, and a sewer separation and overlay project on 4th Street. In 2011 the City added a pedestrian activated signal at College Way near 26th Street, and has completed a sidewalk gap project on College Way east of Waugh Road.
- **The Skagit River:** In 2011 the City engaged the services of outside counsel in partnership with the City of Burlington to evaluate and establish a work-plan on the appeal of FEMA flood insurance rate maps. The City supports maps based on the best available science as those maps will have long lasting impacts on regulations of future development in the community.
- The City completed Phase I of the **Downtown Flood Protection Project and Skagit Riverwalk Trail** in November 2010. The City is aggressively pursuing funding opportunities in preparation for Phase II construction which could occur as early as July 2012. On August 24, 2010 the City was notified by the Federal Emergency Management Agency (FEMA) that FEMA approved the City's request for a Conditional Letter of Map Revision (CLOMR) for the downtown flood protection project. This was a critical accomplishment needed for the overall success of this project. The primary goal of this project is to permanently remove the downtown core from the 100-year flood plane as defined by FEMA. Along with many funding partners including Governor Chris Gregoire,

the City highly values the partnership with Dike District No. 3, who has provided key funding for the project.

- ***Downtown and waterfront redevelopment and revitalization project:*** The City has been and will continue to work with interested investors and developers in the downtown area, working towards implementing the City's vision as adopted in the City's Waterfront and Downtown Master Plan.
- ***Management of our growth, with an emphasis on economic development:*** We continue to strive for a healthy balance between commercial and quality residential development to provide the resources we need in the future to sustain and keep our City economically vibrant. It is important that we realize that the long-term future success of our City depends upon an adequate commercial tax base.
- ***Expansion and improvement of our parks system and facilities:*** In 2008, the City constructed a new park on 18th Street, Kiwanis Park, and in 2010, a splash park and raised walkways in critical wetland areas were added to the park. Other park facilities that have been added in the last eight years include Bonnie Rae Park (fourteen beautiful park acres in south Mount Vernon), the Vaux Retreat Center at Bakerview Park, a Dog Park at Bakerview Park and improvements to our playground facilities at South 6th Street Park, Lions Park, Bakerview Park and the Division Street neighborhood park. In 2011 the City constructed the north loop trail which is due north of Lion's Park, and funding is included in the 2012 budget to move forward with a Riverbend Cutoff Trail that parallels Freeway Drive behind Lowes and Walmart.
- ***The Wastewater Treatment Plant Expansion and Upgrade Project*** which cost \$38.5 million was completed in 2009. The upgrade was necessary to comply with regulatory requirements and to provide capacity consistent with flow and loading projections.

Overall Budget

The total 2012 budget of \$46.9 million has three major components: government operations of \$22.5 million, city utilities of \$15.0 million (Wastewater, Solid Waste, Surface Water) and capital project funds of \$5.4 million.



Major Revenues

The City's largest revenue source, **property tax**, 29% of total revenues, has remained steady. The only growth that the City has experienced in recent years in property tax has come from new construction which the City Council has consistently taken over the years. 2012 is the eighth year in a row that the City Council has not taken the lawfully allowed one percent increase in property tax revenue. Following the Mayor's recommendation, the City Council took action on November 2, 2011 to set property tax revenues for 2012 without taking the allowed one percent increase.

The City's **sales tax** revenues began declining 4th quarter 2007 and continued to decline through the close of 2010. In 2011 we have experienced a flattening of sales tax revenue and we anticipate that 2012 will continue a very slow recovery for this key city revenue. As sales tax has historically provided a quarter of the revenues that support our general government services, the decline of this major revenue source has had a significant impact on our City finances. Currently our 2011 sales tax is on par with the 2010 collections. What is significant about this is that our sales tax appears to have leveled off after three years of steady declines. The City will collect \$1.48 million less in sales tax in 2011 as compared to 2007, a 24% decrease.

Building related revenues have seen significant decreases after experiencing a three year high in revenue collections from 2005 through 2007. In 2006, building related revenues peaked at \$1.4 million in collections while estimated revenues in 2011 and 2012 are estimated at \$400,000, representing a \$1.0 million decrease in building related revenue as compared to 2006.

* * * * *

I want to thank the dedicated staff of the City of Mount Vernon who serve the citizens of our City, with a special thank you to Alicia Huschka, our finance director, all our City department directors and the City Council for their participation and assistance during this budget process, and during our past budget processes.

I want to further thank you the citizens of our City for allowing me to serve as your Mayor these past eight years. Along with our City staff and City Council, we continue to strive to handle your tax dollars in a fiscally responsible manner and welcome your comments and/or questions. Please contact us at mvmayor@mountvernonwa.gov or call 360-336-6211.

Sincerely,



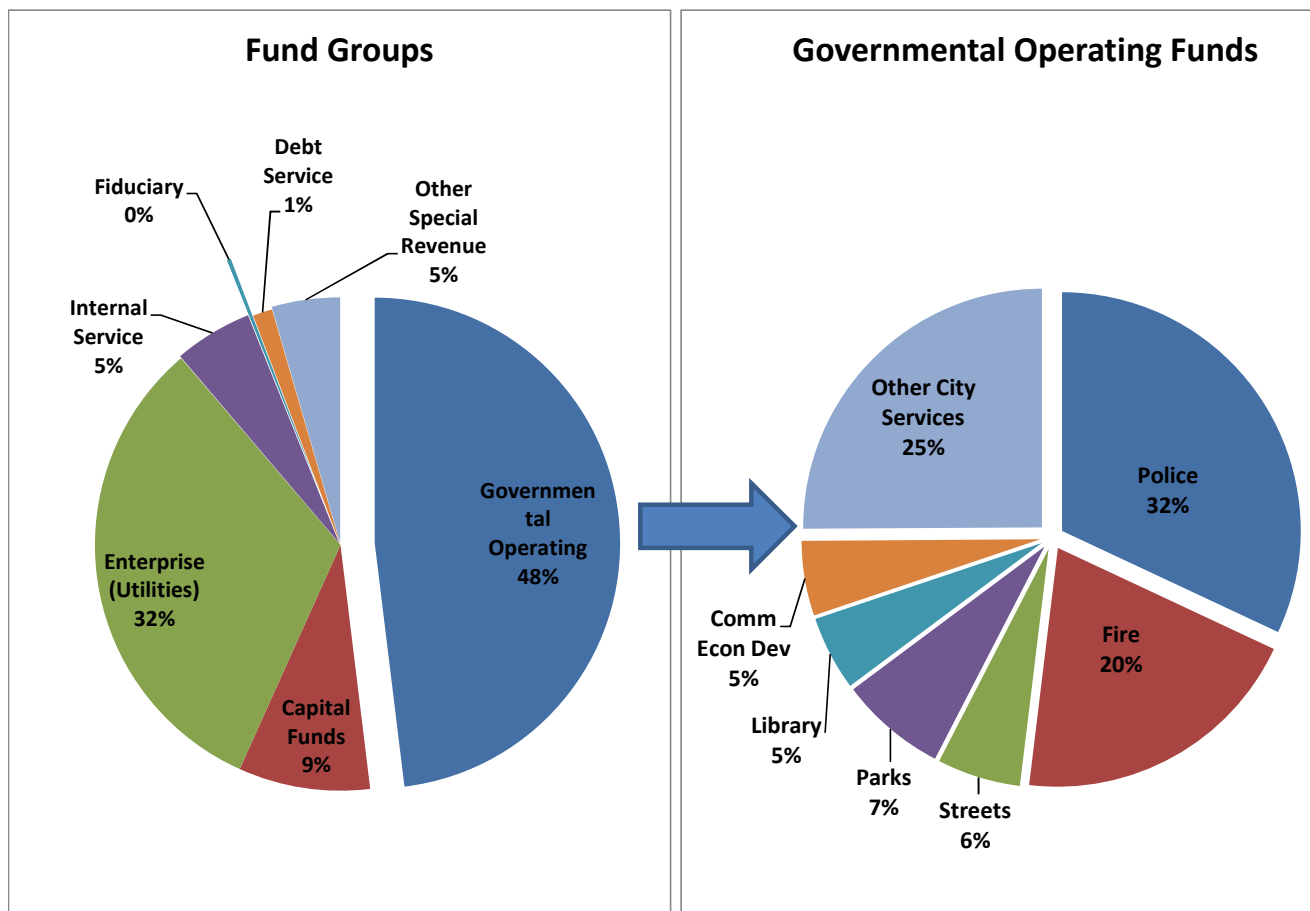
Bud Norris
Mayor

Fund Dept No.	Fund / Department	2011 Adopted Budget	2012 Adopted Budget	2011-2012 % Change
001	Current Expense			
01	City Council	184,131	183,874	-0.1%
02	Municipal Court	329,052	340,650	3.5%
03	Mayor	339,542	344,543	1.5%
04	Finance	668,129	689,781	3.2%
05	City Attorney	378,626	382,653	1.1%
06	Human Resources	496,831	479,693	-3.4%
07	General Facilities	611,108	602,811	-1.4%
08	Police Department	6,859,140	7,195,719	4.9%
09	Fire Department	4,376,747	4,490,332	2.6%
11	Public Works/Engineering	731,382	697,878	-4.6%
12	Community and Economic Development	1,157,127	1,139,758	-1.5%
18	TV 10 - Public Access Cable	130,515	136,679	4.7%
98	Information Services	478,375	512,326	7.1%
99	Non-Departmental	1,575,404	1,274,916	-19.1%
	Total Current Expense	18,316,109	18,471,613	0.8%
101	City Street Fund	1,225,697	1,269,863	3.6%
103	Parks and Recreation Fund	1,511,678	1,625,273	7.5%
104	Library Fund	1,138,633	1,138,172	0.0%
	Total Governmental Operating Funds	22,192,117	22,504,921	1.4%
102	Arterial Street Fund	889,765	150,000	-83.1%
105	Paths and Trails	50,000	50,000	0.0%
106	Tourism Promotion Fund	308,300	242,800	-21.2%
107	Little Mountain Improvements Reserve	44,000	36,000	-18.2%
109	Crime Prevention	6,300	6,300	0.0%
110	Government Access Fund	68,000	67,000	-1.5%
112	Criminal Justice Assistance	159,400	185,000	16.1%
115	Parks Capital Improvements Reserve	70,000	58,000	-17.1%
118	Fiber Optic Fund	40,000	40,000	0.0%
119	Critical Areas Enhancement Fund	140,000	160,000	14.3%
120	Lincoln Commercial Properties	106,000	72,000	-32.1%
201	2009 UTGO Bond Fund	480,353	482,753	0.5%
205	2009 LTGO Bond Fund	120,700	122,375	1.4%
304	Capital Improvements Fund - REET I	334,525	317,625	-5.1%
311	Parks Impact Fees	45,500	25,000	-45.1%
312	Fire Impact Fees	39,000	312,004	700.0%
313	Transportation Impact Fees	25,000	70,000	180.0%
314	REET II - Streets	478,000	485,000	1.5%
401	Wastewater Utility Fund	8,270,213	8,378,146	1.3%
402	Solid Waste Utility Fund	4,670,018	4,837,500	3.6%
403	Surfacewater Utility Fund	1,623,500	1,782,968	9.8%
411	Wastewater Connection Fees	1,240,000	969,000	-21.9%
412	Sewer Capital Reserve	2,408,500	2,916,000	21.1%
501	Equipment Rental Fund	1,322,355	2,382,364	80.2%
511	Employee Healthcare Fund	19,100	0	-100.0%
512	Leoff I Long-term Healthcare Reserve	80,000	40,000	-50.0%
611	Firemen's Pension and Relief Fund	149,000	121,000	-18.8%
	Total All Funds	45,379,646	46,813,756	3.2%

Fund #	City Fund	Fund Bal at Jan 1, 2011	Estimates		Estimated Fund Bal at Dec 31, 2011	Budget		Estimated Fund Bal at Dec 31, 2012	Fund Bal. Budgeted in 2012
			2011 Revenue	2011 Expenditures		2012 Revenue	2012 Expenditures		
001	Current Expense	2,354,037	17,757,284	17,758,750	2,352,571	18,124,622	18,471,613	2,005,580	346,991
101	City Street	120,623	1,222,940	1,216,766	126,797	1,250,451	1,269,863	107,385	19,412
103	Parks/Recreation	264,288	1,477,831	1,458,835	283,284	1,475,733	1,625,273	133,744	149,540
104	Library	125,092	1,096,716	1,121,382	100,426	1,119,135	1,138,172	81,389	19,037
102	Arterial Street	279,303	357,217	544,000	92,520	150,000	150,000	92,520	-
105	Paths and Trails	101,689	3,400	0	105,089	3,400	50,000	58,489	46,600
106	Tourism Promotion	292,693	202,000	233,975	260,718	190,000	242,800	207,918	52,800
107	Little Mountain Cap Res	105,855	104,000	178,000	31,855	36,000	22,000	45,855	(14,000)
109	Crime Prevention	7,823	2,000	3,900	5,923	2,000	6,300	1,623	4,300
110	Government Access TV	101,317	66,756	65,838	102,235	67,000	67,000	102,235	-
112	Criminal Justice Assistan	2,667	189,568	159,400	32,835	160,000	185,000	7,835	25,000
115	Parks Capital Reserve	119,124	66,800	70,000	115,924	58,000	50,000	123,924	(8,000)
118	Fiber Optics Fund	72,818	27,500	12,500	87,818	18,000	40,000	65,818	22,000
119	Critical Areas Enhancem	243,136	5,000	36,000	212,136	40,000	160,000	92,136	120,000
120	Lincoln Commercial Bloc	340,088	68,000	124,100	283,988	72,000	64,000	291,988	(8,000)
201	2009 UTGO Bonds	6,314	480,353	480,353	6,314	482,753	482,753	6,314	-
205	2009 LTGO Bonds	8,616	113,200	120,700	1,116	121,875	122,375	616	500
304	Capital Improvement-Ree	8,377	244,800	234,525	18,652	304,800	317,625	5,827	12,825
311	Park Impact Fees	20,314	50,000	0	70,314	25,000	0	95,314	(25,000)
312	Fire Impact Fees	165,049	11,000	36,000	140,049	290,804	312,004	118,849	21,200
313	Transportation Impact Fe	64,957	6,000	0	70,957	10,000	70,000	10,957	60,000
314	Reet II - Streets	346,691	302,811	478,000	171,502	350,000	485,000	36,502	135,000
401	Sewer Utility Fund (WC	3,643,324	8,231,368	8,108,696	3,765,996	8,378,146	8,348,789	3,795,353	(29,357)
402	Solid Waste (WC)	972,434	4,570,650	4,562,918	980,166	4,837,500	4,744,591	1,073,075	(92,909)
403	Surface Water Utility (V	1,098,272	1,626,978	1,341,683	1,383,567	1,538,200	1,782,968	1,138,799	244,768
411	Wastewater Connector	1,653,058	508,000	824,000	1,337,058	508,000	969,000	876,058	461,000
412	Sewer Capital Reserve	2,614,228	1,012,000	1,365,000	2,261,228	1,147,000	2,916,000	492,228	1,769,000
501	Equipment Rental (WC)	7,569,019	1,348,655	909,118	8,008,556	1,345,916	2,382,364	6,972,108	1,036,448
512	LEOFF I LT Healthcare R	275,632	20,000	37,200	258,432	20,000	40,000	238,432	20,000
611	FR&P	895,029	37,854	129,777	803,106	37,000	121,000	719,106	84,000
	Totals	23,871,867	41,210,681	41,611,416	23,471,132	42,163,335	46,636,490	18,997,977	4,473,155

	Government Operating Funds
	Parks Capital Funds
	Transportation Capital Funds
	Wastewater Utility Funds

Budget Components

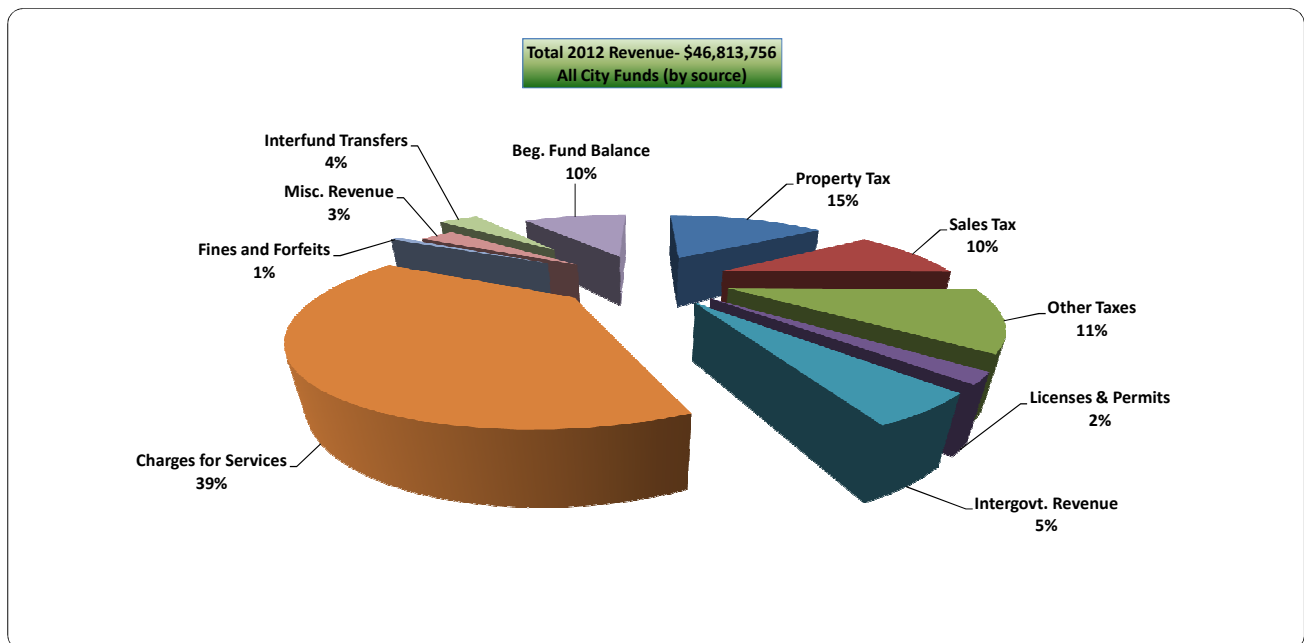
**Funds:**

Governmental Operating	22,504,921	48%
Capital Funds	4,052,625	9%
Enterprise (Utilities)	14,998,614	32%
Internal Service (ER & Healthcare)	2,422,364	5%
Fiduciary (Firemen's Pension)	121,000	0%
Debt Service	605,128	1%
Other Special Revenue	2,109,104	5%
Total Budget	46,813,756	100%

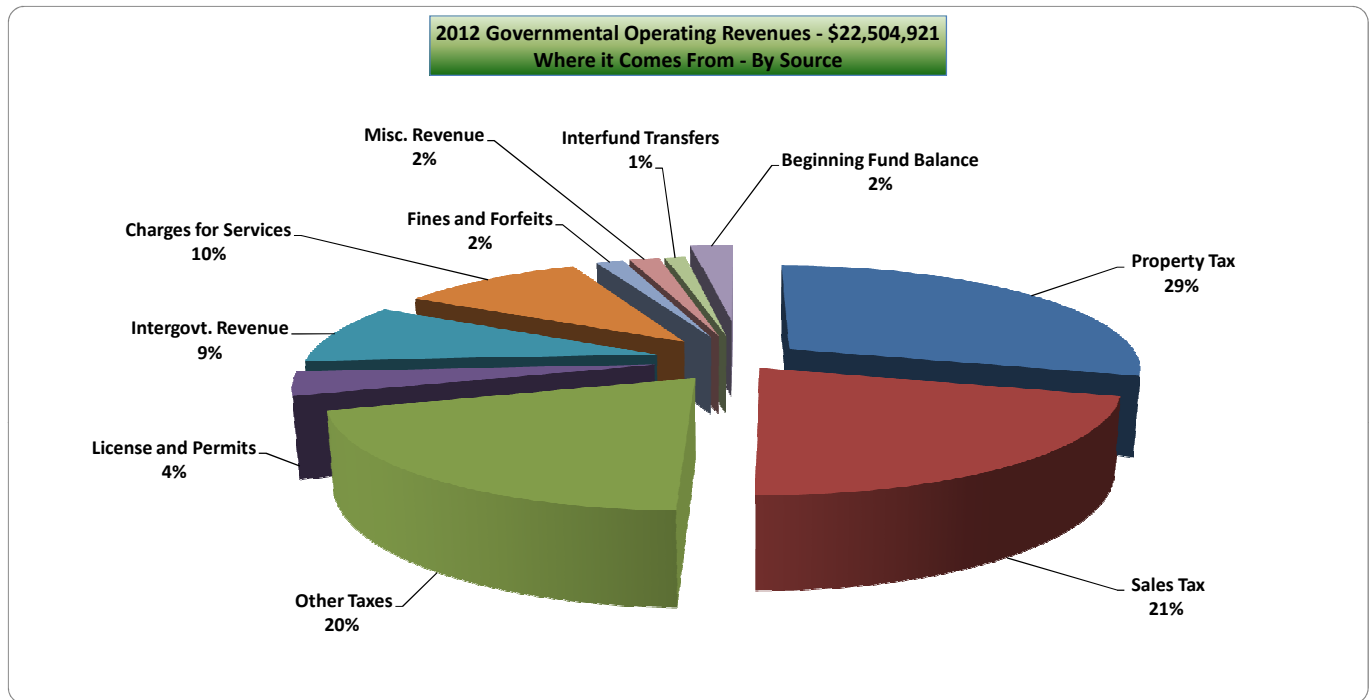
Government Operating Funds by Department:

Police	7,195,719	32%
Fire	4,490,332	20%
Streets	1,269,863	6%
Parks	1,625,273	7%
Library	1,138,172	5%
Comm Econ Dev	1,139,758	5%
Other City Services	5,645,804	25%
Total Govt Op Funds	22,504,921	100%

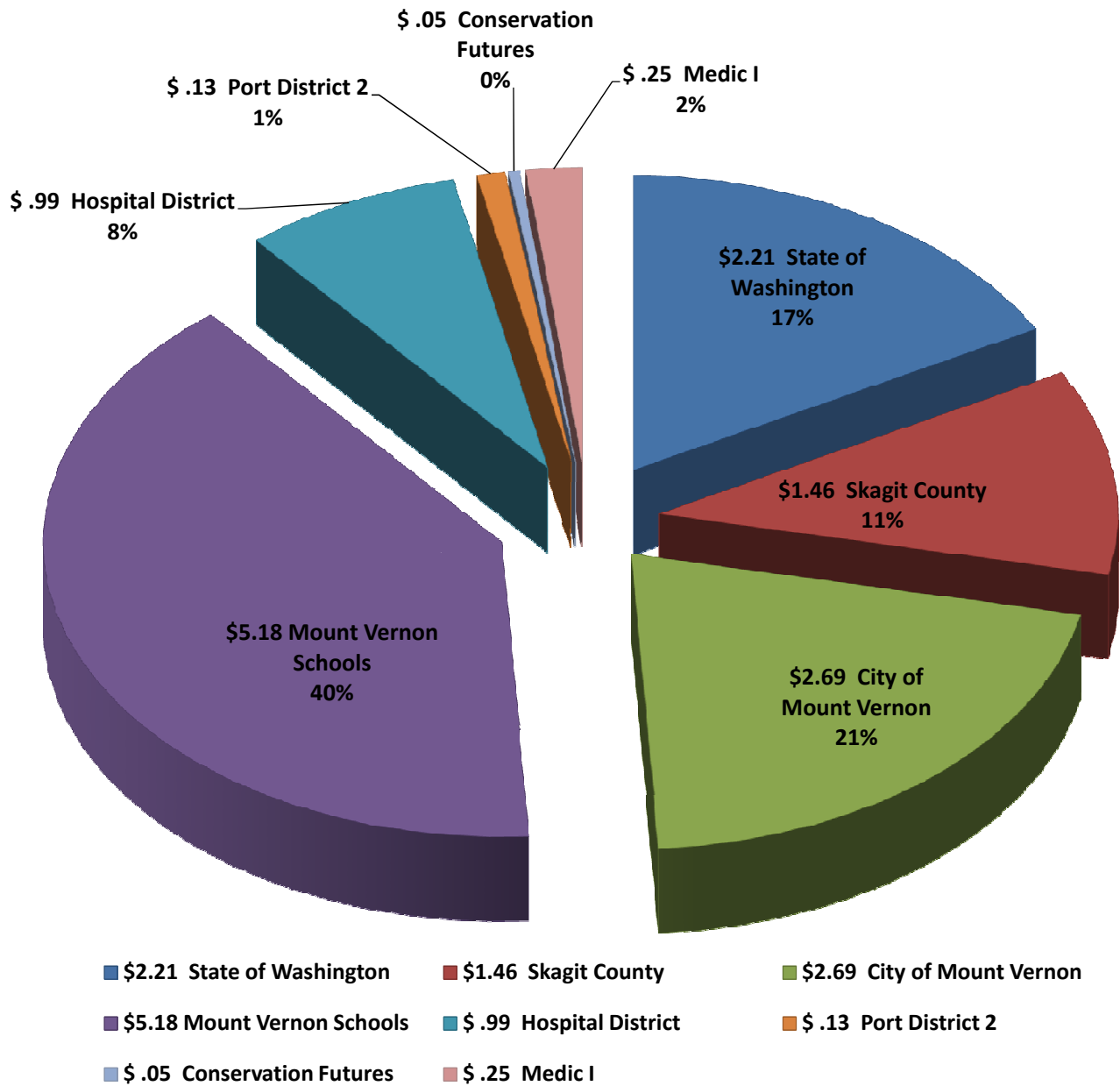
2012 Revenue Estimates All City Funds (by source)											
Fund Name	Property Tax	Sales Tax	Other Taxes	License and Permits	Intergovt. Revenue	Charges for Services	Fines and Forfeits	Misc. Revenue	Interfund Transfers	Beg. Fund Balance	Total
Current Expense	4,269,705	4,760,000	4,516,000	815,000	1,361,853	1,662,864	304,500	197,700	237,000	346,991	18,471,613
City Streets	179,575	-	-	-	672,000	388,876	-	-	10,000	19,412	1,269,863
Parks and Recreation	1,074,185	-	-	-	5,817	217,731	-	175,000	3,000	149,540	1,625,273
Library	1,041,535	-	-	-	17,000	26,800	32,500	1,300	-	19,037	1,138,172
Arterial Streets	-	-	-	-	150,000	-	-	-	-	-	150,000
Paths and Trails	-	-	3,400	-	-	-	-	-	-	46,600	50,000
Hotel/Motel Tax	-	-	190,000	-	-	-	-	-	-	52,800	242,800
Little Mtn Park Impr.	-	-	-	-	-	-	-	36,000	-	-	36,000
Crime Prevention	-	-	-	-	-	-	-	2,000	-	4,300	6,300
Government Access	-	-	-	67,000	-	-	-	-	-	-	67,000
Criminal Justice Assist.	-	-	-	-	160,000	-	-	-	-	25,000	185,000
Parks Capital Impr.	-	-	-	-	-	-	-	58,000	-	-	58,000
Fiber Optics	-	-	-	-	-	18,000	-	-	-	22,000	40,000
Critical Area Enhance.	-	-	-	-	-	40,000	-	-	-	120,000	160,000
Lincoln Block	-	-	-	-	-	-	-	72,000	-	-	72,000
2009 UTGO Bonds	482,753	-	-	-	-	-	-	-	-	-	482,753
2009 LTGO Bonds	-	-	-	-	-	-	-	-	121,875	500	122,375
Capital Impr. (Reet 1)	-	-	300,000	-	-	-	-	4,800	-	12,825	317,625
Park Impact Fees	-	-	-	-	-	25,000	-	-	-	-	25,000
Fire Impact Fees	-	-	-	-	-	290,804	-	-	-	21,200	312,004
Transport. Impact Fees	-	-	-	-	-	10,000	-	-	-	60,000	70,000
REET II-Streets	-	-	300,000	-	-	-	-	-	50,000	135,000	485,000
Wastewater Utility	-	-	-	-	-	7,965,146	-	98,000	315,000	-	8,378,146
Solid Waste Utility	-	-	-	-	-	4,808,500	-	29,000	-	-	4,837,500
Surfacewater Utility	-	-	-	-	-	1,531,200	-	7,000	-	244,768	1,782,968
Wastewater Connections	-	-	-	-	-	-	-	508,000	-	461,000	969,000
Sewer Cap. Reserve	-	-	-	-	-	-	-	147,000	1,000,000	1,769,000	2,916,000
Equipment Rental	-	-	-	-	-	1,285,916	-	60,000	-	1,036,448	2,382,364
LEOFF 1 LT Healthcare Res	-	-	-	-	-	-	-	20,000	-	20,000	40,000
Firemen's Pension	-	-	-	-	30,000	-	-	7,000	-	84,000	121,000
TOTAL	\$ 7,047,753	\$ 4,760,000	\$ 5,309,400	\$ 882,000	\$ 2,396,670	\$ 18,270,837	\$ 337,000	\$ 1,422,800	\$ 1,736,875	\$ 4,650,421	\$ 46,813,756

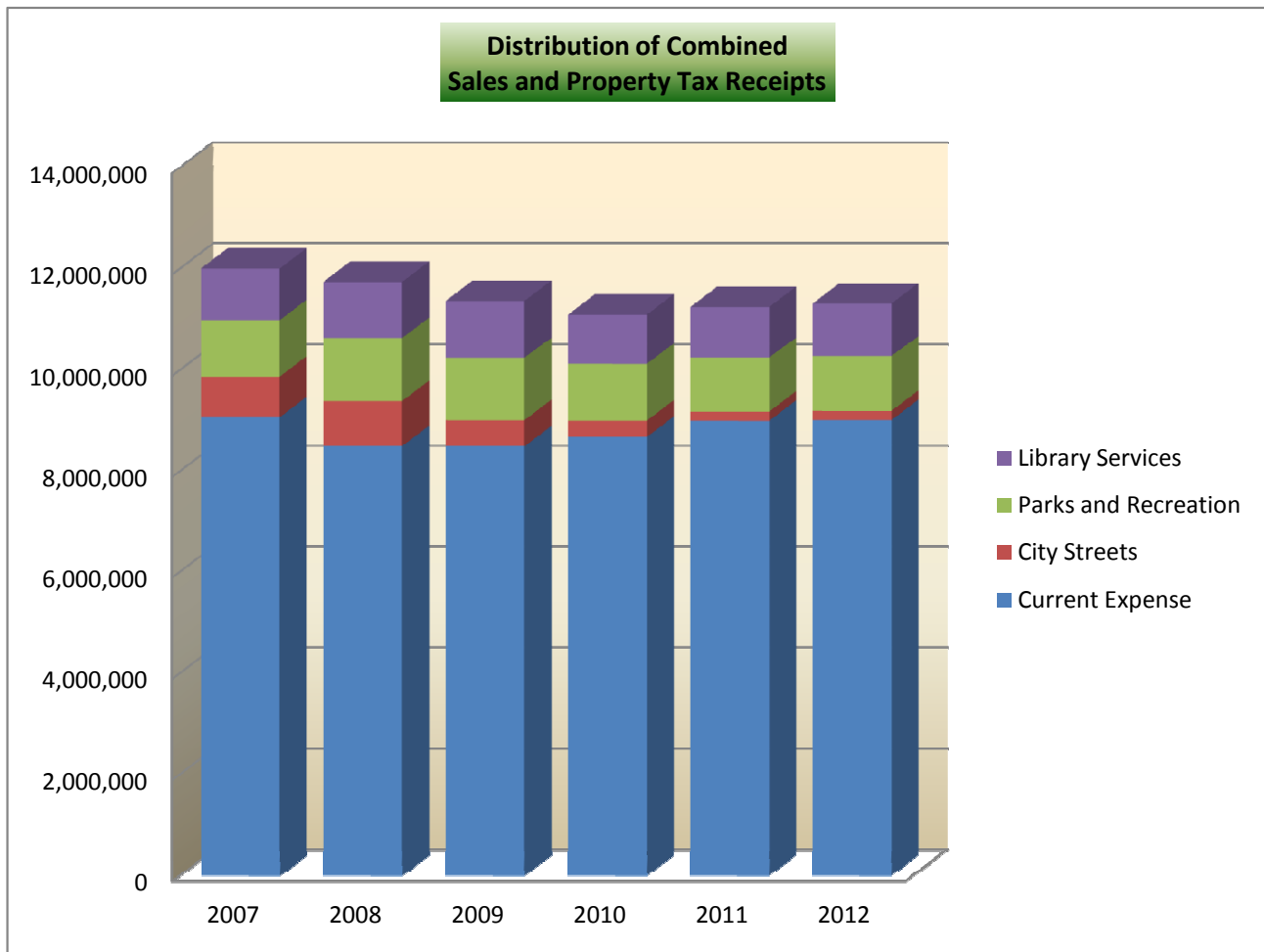


2012 Revenue Estimates											
Governmental Operating Funds Only											
Fund Name	Property Tax	Sales Tax	Other Taxes	License and Permits	Intergovt. Revenue	Charges for Services	Fines and Forfeits	Misc. Revenue	Interfund Transfers	Beginning Fund Balance	Total
Current Expense	4,269,705	4,760,000	4,516,000	815,000	1,361,853	1,662,864	304,500	197,700	237,000	346,991	18,471,613
City Streets	179,575	-	-	-	672,000	388,876	-	-	10,000	19,412	1,269,863
Parks and Recreation	1,074,185	-	-	-	5,817	217,731	-	175,000	3,000	149,540	1,625,273
Library	1,041,535	-	-	-	17,000	26,800	32,500	1,300	-	19,037	1,138,172
TOTAL	\$ 6,565,000	\$ 4,760,000	\$ 4,516,000	\$ 815,000	\$ 2,056,670	\$ 2,296,271	\$ 337,000	\$ 374,000	\$ 250,000	\$ 534,980	\$ 22,504,921



2011 Property Tax Distribution in Mount Vernon
\$12.75 Total Levy Rate



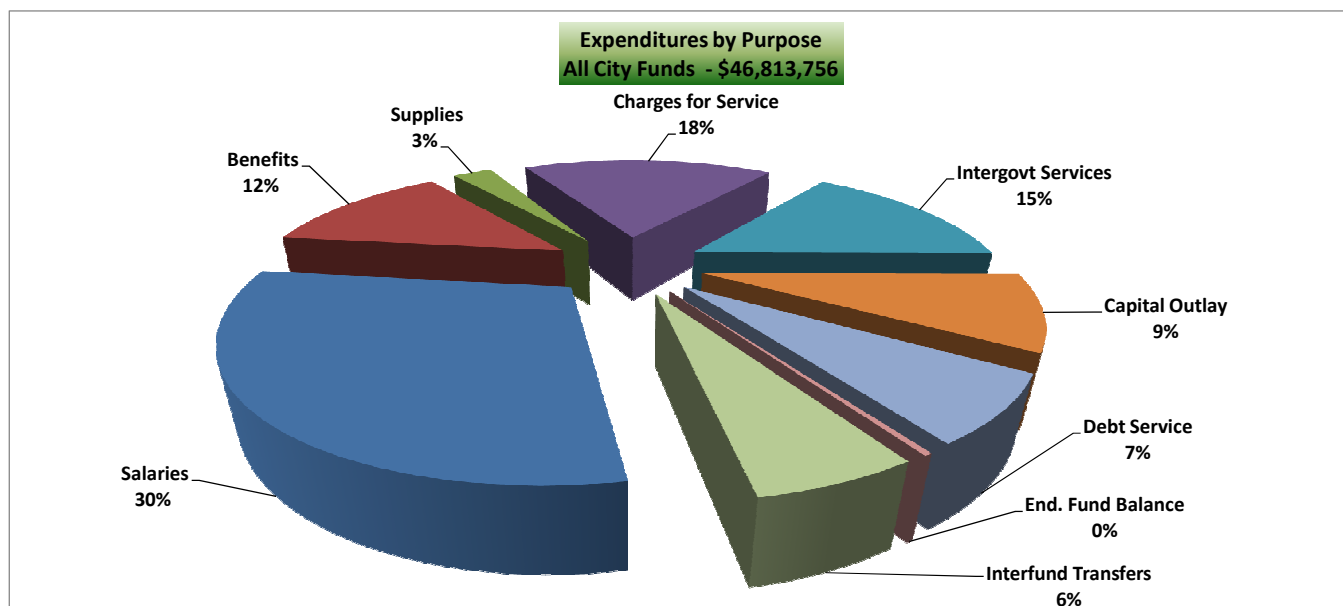


Combined Sales and Property Tax Revenue						
Government Function	Actual 2007	Actual 2008	Actual 2009	Actual 2010	Estimate 2011	Projection 2012
Current Expense	9,085,328	8,518,136	8,512,783	8,698,430	9,015,120	9,029,705
City Streets	795,835	883,630	514,714	319,067	178,860	179,575
Parks and Recreation	1,120,883	1,249,270	1,224,015	1,113,396	1,060,152	1,074,185
Library Services	1,007,822	1,096,920	1,123,583	975,621	1,001,616	1,041,535
Totals	12,009,868	11,747,956	11,375,095	11,106,514	11,255,748	11,325,000
Growth Rate	5.4%	-2.2%	-3.2%	-2.4%	1.3%	0.6%

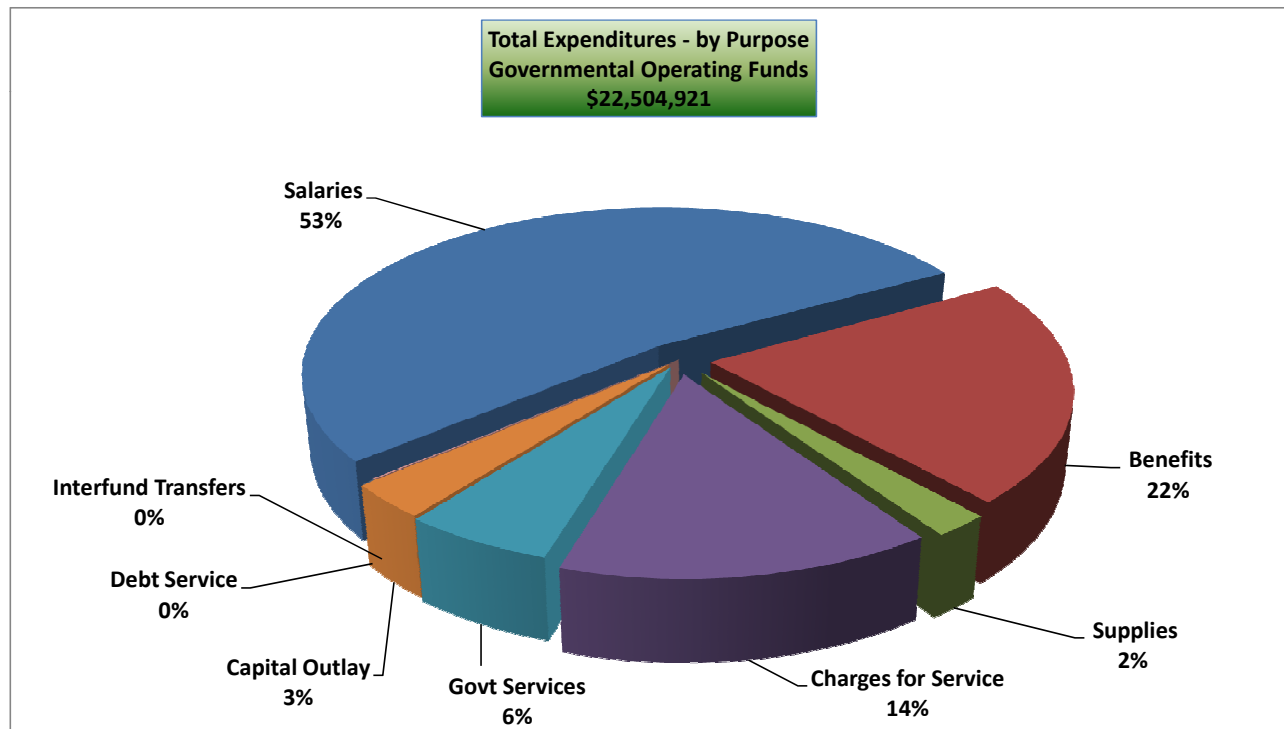
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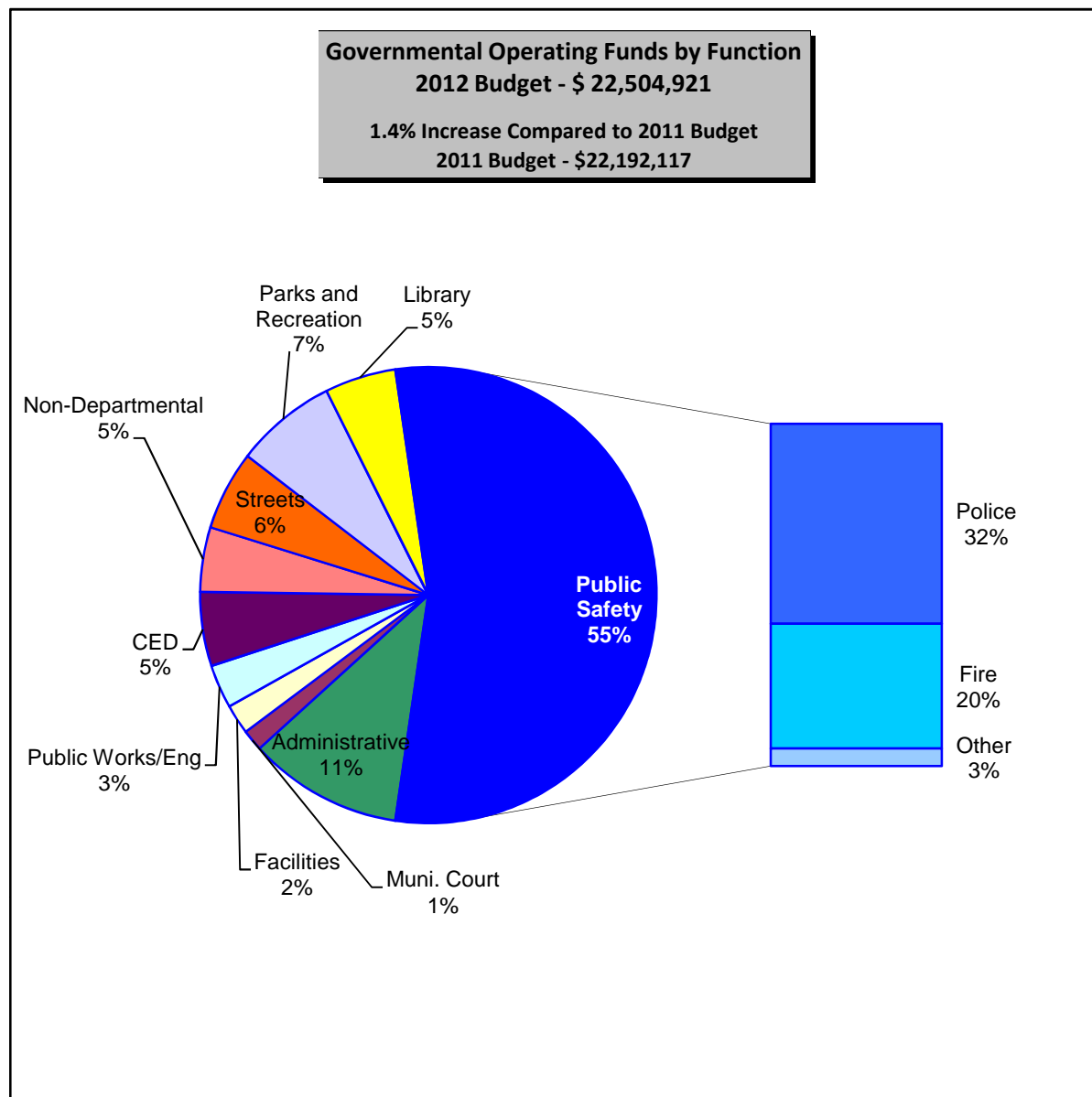
1. Only growth in property tax revenue for 2005 through 2012 comes from new construction, except for annexations.
2. City has not taken the lawfully allowed 1% increase in property tax from 2005 through 2012 (last 8 years).
3. Sales tax grew 4% in '07; sales tax declined 9% in '08, 10% in '09, 7% in '10, 0% in '11 (compared to prior years).
4. 2012 sales tax estimated at 0.5% growth compared to 2011 estimate, or \$24,000.
5. Sales tax: comparing 2007 to 2011, sales tax revenues have declined \$1.48 million or 24%.

2012 Expenditures by Category - All City Funds										
Fund/Department	Salaries	Benefits	Supplies	Charges for Service	Intergovt Services	Capital Outlay	Debt Service	End. Fund Balance	Interfund Transfers	Total
City Council	50,400	4,336	5,500	54,707	68,931	-	-	-	-	183,874
Municipal Court	-	-	5,400	48,950	286,300	-	-	-	-	340,650
Mayor	237,678	95,915	2,000	8,450	-	500	-	-	-	344,543
Finance	431,140	148,314	7,000	102,827	-	500	-	-	-	689,781
City Attorney	202,697	75,806	13,700	90,250	-	200	-	-	-	382,653
Human Resources	108,185	323,458	1,000	27,050	-	-	-	-	20,000	479,693
General Facilities	78,188	52,341	21,950	430,832	-	19,500	-	-	-	602,811
Police	4,278,617	1,711,963	96,510	608,879	451,937	47,813	-	-	-	7,195,719
Fire	3,057,482	1,063,641	126,945	229,264	-	13,000	-	-	-	4,490,332
P. Works/Engineering	477,407	170,076	4,050	45,845	-	500	-	-	-	697,878
Comm Econ Development	662,099	290,426	6,800	179,733	-	700	-	-	-	1,139,758
TV 10	84,016	29,236	500	22,927	-	-	-	-	-	136,679
Information Services	244,131	103,257	1,000	113,676	-	50,262	-	-	-	512,326
Non-Departmental	-	-	-	326,858	474,119	473,939	-	-	-	1,274,916
Total Current Expense	9,912,040	4,068,769	292,355	2,290,248	1,281,287	606,914	-	-	20,000	18,471,613
City Street	431,470	186,911	104,700	521,282	25,000	500	-	-	-	1,269,863
Parks and Recreation	867,960	347,113	66,550	336,850	-	6,800	-	-	-	1,625,273
Library	705,541	228,686	20,750	56,495	-	126,700	-	-	-	1,138,172
Arterial Street	-	-	-	-	-	150,000	-	-	-	150,000
Paths and Trails	-	-	-	-	-	50,000	-	-	-	50,000
Tourism Promotion	-	-	-	182,800	-	60,000	-	-	-	242,800
Little Mtn Improvement	-	-	-	2,000	-	20,000	-	14,000	-	36,000
Crime Prevention	-	-	5,900	400	-	-	-	-	-	6,300
Government Access	-	-	5,000	2,000	-	30,000	-	-	30,000	67,000
Criminal Justice Assistance	-	-	-	-	185,000	-	-	-	-	185,000
Parks Capital Improvements	-	-	-	-	-	50,000	-	-	8,000	58,000
Fiber Optics	-	-	-	-	-	40,000	-	-	-	40,000
Critical Areas Enhancement	-	-	5,000	10,000	-	145,000	-	-	-	160,000
Lincoln Commercial Bldg	-	-	-	19,000	-	20,000	-	8,000	25,000	72,000
2009 UTGO Bond Fund	-	-	-	-	-	-	482,753	-	-	482,753
2009 LTGO Bond Fund	-	-	-	-	-	-	122,375	-	-	122,375
REET I - Cap Improvements	-	-	-	-	196,875	-	120,750	-	-	317,625
Park Impact Fees	-	-	-	-	-	-	-	-	25,000	25,000
Fire Impact Fees	-	-	-	-	-	312,004	-	-	-	312,004
Transportation Impact Fees	-	-	-	-	-	-	-	-	70,000	70,000
REET II - Streets	-	-	-	-	-	325,000	-	-	160,000	485,000
Wastewater Utility	1,034,975	413,344	259,500	2,224,838	1,044,500	48,700	2,420,456	29,357	902,476	8,378,146
Solid Waste Utility	738,474	370,078	21,050	1,647,870	1,540,000	27,150	-	92,909	399,969	4,837,500
Surfacewater Utility	76,745	30,208	20,600	464,818	6,900	343,500	189,840	-	650,357	1,782,968
Wastewater Connection Fees	-	-	-	329,000	-	325,000	-	-	315,000	969,000
Sewer Capital Reserve	-	-	-	200,000	2,716,000	-	-	-	-	2,916,000
Equipment Rental	184,171	87,804	442,700	95,683	-	1,515,248	-	-	56,758	2,382,364
LEOFF 1 LT Healthcare Res	-	40,000	-	-	-	-	-	-	-	40,000
Firemen's Pension	-	121,000	-	-	-	-	-	-	-	121,000
TOTAL	13,951,376	5,893,913	1,244,105	8,383,284	6,995,562	4,202,516	3,336,174	144,266	2,662,560	46,813,756



2012 Expenditures - Governmental Operating Funds Only									
Fund/Department	Salaries	Benefits	Supplies	Charges for Service	Govt Services	Capital Outlay	Debt Service	Interfund Transfers	Total
City Council	50,400	4,336	5,500	54,707	68,931	-	-	-	183,874
Municipal Court	-	-	5,400	48,950	286,300	-	-	-	340,650
Mayor	237,678	95,915	2,000	8,450	-	500	-	-	344,543
Finance	431,140	148,314	7,000	102,827	-	500	-	-	689,781
City Attorney	202,697	75,806	13,700	90,250	-	200	-	-	382,653
Human Resources	108,185	323,458	1,000	27,050	-	-	-	20,000	479,693
General Facilities	78,188	52,341	21,950	430,832	-	19,500	-	-	602,811
Police	4,278,617	1,711,963	96,510	608,879	451,937	47,813	-	-	7,195,719
Fire	3,057,482	1,063,641	126,945	229,264	-	13,000	-	-	4,490,332
P. Works/Engineering	477,407	170,076	4,050	45,845	-	500	-	-	697,878
Comm Econ Development	662,099	290,426	6,800	179,733	-	700	-	-	1,139,758
TV 10	84,016	29,236	500	22,927	-	-	-	-	136,679
Information Services	244,131	103,257	1,000	113,676	-	50,262	-	-	512,326
Non-Departmental	-	-	-	326,858	474,119	473,939	-	-	1,274,916
Total Current Expense	9,912,040	4,068,769	292,355	2,290,248	1,281,287	606,914	-	20,000	18,471,613
City Street	431,470	186,911	104,700	521,282	25,000	500	-	-	1,269,863
Parks and Recreation	867,960	347,113	66,550	336,850	-	6,800	-	-	1,625,273
Library	705,541	228,686	20,750	56,495	-	126,700	-	-	1,138,172
Total	11,917,011	4,831,479	484,355	3,204,875	1,306,287	740,914	-	20,000	22,504,921





Full Time Employee History										
Department	2012 Mayor	2011 Actual	2010 Actual	2009 Actual	2008 Actual	2007 Actual	2006 Actual	2005 Actual	2004 Actual	2003 Actual
Current Expense										
Mayor	3	3	3	3	3	3	3	3	3	2
Municipal Court	0	0	3	4	4	4	4	5	6	6
Finance	7	7	7	7	7	7	7	7	8	9
City Attorney	3	3	3	3	3	3	3	3	3	4
Human Resources	1	1	1	1	1	1	1	1	1	1
General Facilities Maintenance	2	2	2	2	2	2	2	2	2	2
Police	56	56	58	58	58	57	57	57	55	54
Fire	37	37	38	38	39	38	38	38	36	36
Public Works/Engineering	6.25	6.5	6.5	7.5	9.5	10.5	11	11	15	15
Commun. Econ. Development	10	10	11.5	12	15	14	14	14	10	11
TV-10	1	1	1	1	1	1	1	1	1	1
Information Services	3	3	3	3	3	3	3	3	3	3
Total Current Expense	129.25	129.5	137	139.5	145.5	143.5	144	145	143	144
City Street	9	9	9	9	10	10	10	10	10	10
Parks/Recreation	12	12	12	12	13	12	12	12	12	11
Library	9	9	9	10	11	11	11	11	11	11
Wastewater Utility	16	16	16	16	15	15	15	15	15	15
Solid Waste Utility	13	13	13	13	13	13	13	13	13	13
Surfacewater Utility	0.75	0.5	0.5	0.5	0.5	0.5	0	0	0	1
Equipment Rental	3	3	3	3	3	3	3	3	3	3
Total-All Funds	192	192	199.5	203	211	208	208	209	207	208

